Dear Chair Atterbeary and honorable Members of the House and Means Committee,

I am writing this letter in support for HB432. The need for an increase in tax credits is highly needed to bring more production work to our great state. I have benefitted from the incentive plan in place now but have also lost substantial amount of work in my home state because the cap on those incentives is so low.

The production industry, as you know, is highly competitive. The states surrounding ours have strong incentive programs and are generating hundreds of millions of dollars of taxable income within their states. We need to be at the forefront of this surge. Currently we are falling way short of our potential.

My Maryland based production company considers other locations to shoot first, every time we start a new production. The incentive programs in other states provide better financial benefits. Our last production we even shot in another country because it was more cost effective for us to shoot there.

I have worked in the industry for close to thirty years. I have never had to work on out of state productions, produce projects and films, and recommend producers look elsewhere than I have had to do over the past five years. It just doesn't make sense to shoot here, if I/they, can save a substantial amount of money by going elsewhere. Which most productions including my own will do. In conversations with other producers from around the country one of their first questions is always about tax credits/incentives. Once they hear what we have to offer they usually respond by quoting another state's program that has a better return. It is actually exhausting.

We have the infrastructure and the talented professionals here. That infrastructure can be upgraded and revamped rather quickly if we had the necessary funds to do so. There is a media boom happening and we are far behind. We could be leading the industry. We were one of the top spots when I first got into the business and we can be again. I love our state, I want to work close to home. It's is increasingly less likely if we stay where we are with credits. We need to adjust and this is the time. I am planning on producing three feature films totaling around \$5 million dollars in the next two years. Right now I'm not

even considering shooting here. That's a shame. We have the ability to make it happen. Please consider giving HB432 a favorable report and pass the bill out of committee. My family, colleagues and business associates thank you for your service to our great state.

Sincerely,

Ken Arnold
Ken Arnold Productions
ken@kenarnold.com
410-703-4190